GOVERNMENT OF INDIA
COAL
LOK SABHA

STARRED QUESTION NO:411
ANSWERED ON:22.08.2000
LOSSES IN ECL
ADHIR RANJAN CHOWDHURY

Will the Minister of COAL be pleased to state:

(a) the total losses suffered by Eastern Coalfields Ltd. during the last one decade alongwith the reasons therefor;

(b) whether any responsibility has been fixed by the Government for the losses in ECL;

(c) if so, the details in this regard; and

(d) the steps taken to reduce the losses of the company ?

Answer

MINISTER OF STATE FOR COAL (SHRI N.T.SHANMUGAM)

(a) to (c): A statement is laid on the Table of the House.

Statement referred to in the answer to parts (a) to (d) of the Lok Sabha Starred Question No. 411 for 22.8.2000.

(a) : The losses incurred by Eastern Coalfields Limited (ECL) during the last one decade are given below year-wise:-

Year	Rs. in crores
1990-91	(-)324.83
1991-92	(-) 326.38
1992-93	(-) 354.28
1993-94	(-) 477.97
1994-95	(-) 575.54
1995-96	(-) 391.21
1996-97	(-) 341.15
1997-98	(-) 541.89
1998-1999	(-) 472.47
1999-2000 (Provisional)	(-) 646.69

The annual accounts of ECL for the financial year 1999-2000 are yet to be audited.

The reasons for losses in ECL are :-

i) Existence of a large number of small underground (UG) mines, most ofwhich were taken over at the time of nationalisation and are no longer amenable to significant increase in productivity.

ii) Low productivity from UG mines as compared to the successive increases in wages and dearness allowance of the employees.

iii) Surplus manpower.

iv) Adverse geo-mining conditions and problems of land acquisition and resettlement of land oustees affecting production from a few large coal mines .

Out of the total number of 116 mines of ECL, 95 are UG mines.

(b) Adverse geo-mining conditions and problems of surplus manpower are historical and the problems of land acquisition and resettlement are not entirely within the control of the company; hence no responsibility on individual officers of the company for the losses can be fixed.

(c) Does not arise in view of the answer to part (b) of the question.

(d) Coal India Limited, the holding company of ECL had engaged Industrial Credit andInvestment Corporation of India Limited (ICICI) to suggest measures for revival of ECL.The ICICI report on ECL revival has been received in the Ministry of CoalHowever, no final

shape to the revival package for ECL has so far been given for seeking approval of the Government.